



MEMORANDUM

To: PLANNING COMMISSION

Date: MEETING OF MAY 23, 2006

From: COMMUNITY DEVELOPMENT DEPARTMENT

Subject: USE DETERMINATION RELATED TO ST. LOUISE HOSPITAL PUD

REQUEST

It is requested that the Planning Commission determine whether a proposed use within the St. Louise Cancer Center would be consistent with the applicable PUD regulations.

Varian Medical Systems has indicated (see attached letter dated May 11, 2006) that the functioning oncology treatment room will no longer be in clinical operation as early as July of 2006. Varian would like to lease a portion of this building for R&D and equipment testing (see attached exhibit outlining portion of building desired). No manufacturing would occur on the site, and no patients would be treated with the equipment installed. Varian Medical Systems would use the shielded and lead-lined room to develop and test their next generation products.

Ordinance No. 1101 adopted on September 16, 1992 established the PUD zoning of the site and incorporated the precise development plan (see attached PUD diagram) by reference. The PUD shows the general location and sizes of all uses in the development, and the PUD indicates that said maps and plans are binding and that substantial changes can only be made after further public hearings before the Planning Commission and City Council (via an amendment process).

The PUD diagram shows the building where Varian wants to locate as an "Existing Cancer Care Center". The matter for the Planning Commission to decide is whether radiotherapy equipment R&D and testing is a use consistent with the PUD use description for the building as a "cancer care center". If so, then Varian would be able to lease the space with no further action needed by the City. If not, and the Planning Commission determines that use as medical equipment R&D would constitute a substantial change to the PUD, then Varian would need to file a request for a PUD amendment. Public hearings would be scheduled and ultimately the City Council would make a decision upon receiving a recommendation from the Planning Commission. It may be relevant to note that the subject building is not subject to the "Agreement to Open a Medical Office Building in Morgan Hill" that was entered into in June 2002 between the City of Morgan Hill and Saint Louise Regional Hospital.



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May 11, 2006

Jeff Wright

Director, Corporate Facilities & Real Estate

Dear Mr Golden,

Varian Medical Systems, Inc, of Palo Alto California, is the worlds leading supplier of radiotherapy equipment and software for treating cancer. The company is also a premier supplier of components including X-ray tubes and digital image detectors for medical, scientific and industrial imaging. Varian Medical Systems employs 3,600 people who are located at manufacturing sites in North America and Europe and in its 56 Sales and support offices around the world. Additional information is available on the company's Web site at www.varian.com

It is our mission to equip the medical community with the latest technology for curing cancer. We partner with physicians, scientists, researchers and others around the world to offer patients the most advanced radiotherapy, including 3-D conformal therapy and SmartBeam IMRT (intensity-modulated radiation therapy.)

Thousands of patients are treated daily on Varian systems at clinics, hospitals and universities worldwide. This is currently the case at the St. Louise Cancer Center. Dr. Kraut, a well respected Oncologist, along with his partners, are currently treating cancer patients with Varian radiotherapy equipment at his clinic located at the St. Louise Cancer center, 18511 Mission View Drive, Morgan Hill CA 95037.

As early as July of this year, this functioning oncology treatment room (a shielded concrete and lead-lined room used to contain radiation produced by the equipment) will no longer be in clinical operation. Varian Medical Systems, in an effort to develop and test our next generation products, wishes to lease a small portion of the building that includes this shielded room.

This next generation Varian Clinac system will be installed to replace the older model Varian Clinac that is currently in use at St. Louise. From time to time, Varian will exchange this machine with similar next generation engineering product. The Varian equipment will be used for R&D and equipment testing only. No manufacturing will occur on the site and no patients will be treated with this equipment.

It is our hope that the City of Morgan Hill will consider and approve Varian Medical Systems proposed use of the shielded room at St. Louise Cancer Center that will someday benefit cancer patients worldwide.

Best Regards,

A handwritten signature in black ink, appearing to read "Jeff Wright", written over a horizontal line.

Mr. Jeff Wright
Sr. Director of Facilities and Real Estate
Varian Medical Systems, Inc.

ORDINANCE NO. 1101, N.S.

AN ORDINANCE OF THE CITY OF MORGAN HILL AMENDING THE ZONING OF A 29.30 ACRE PARCEL LOCATED ON THE SOUTH SIDE OF COCHRANE ROAD EAST OF SAINT LOUISE DRIVE AND WEST OF MISSION VIEW DRIVE ESTABLISHING A PUD PLANNED UNIT DEVELOPMENT ZONING DESIGNATION INCLUDING THE ADOPTION OF A PRECISE DEVELOPMENT PLAN FOR THE SAINT LOUISE HOSPITAL DEVELOPMENT. (APN'S 727-12-09 & 45)

The City Council of the City of Morgan Hill hereby ordains as follows:

Section 1. Amending the Public Facility Zoning District. This ordinance hereby amends the zoning on 29.30 acres located on the south side of Cochrane Rd east of Saint Louise Dr. and west of Mission View Dr. from the Public Facilities zoning district established under Ordinance No. 1101, New Series, to Planned Unit Development (PUD) zoning; and

Section 2. Incorporating the map by reference. There is attached hereto and made a part of this ordinance, a zoning map entitled "Rezoning Map - Land of Saint Louise Hospital" being a part of Ordinance No. 1101, New Series, which gives the boundary of the above described parcel of land.

Section 3. Finding of consistency with the General Plan. The City Council hereby finds that the Planned Unit Development district established by this ordinance on the parcel of land as described, is compatible with the goals objectives, policies, and land use designation by the General Plan of the City of Morgan Hill. The Council further finds that the proposed zone change is required in order to serve the public convenience, necessity, and general welfare, as provided in Section 18.62.010 of the Morgan Hill Municipal Code.

Section 4. Incorporating precise development plan by reference. Reference is made to that certain series of documents dated June 25, 1992 on file in the Community Development Department, entitled, "Planned Unit Development Saint Louise Hospital" prepared by Heery International Inc. These documents show the general location and sizes of all uses in this development and vehicle and pedestrian circulation ways, landscape areas and any other purposeful uses on the project. Said maps and plans shall be binding on all future owners and developers as well as the present owners and any substantial changes can only made after further public hearings before the Planning Commission and City Council. All future development within the PUD shall be consistent with the Design Review ordinance and parking standard in effect at the time of application.

The foregoing ordinance was introduced at a regular meeting of the City Council of the City of Morgan Hill on September 2, 1992, and was finally adopted at a meeting of said Council on the 16th day of September, 1992, by the following called vote:


AYES: Bassett, Kennedy, Martucci, Smith

NOES: None

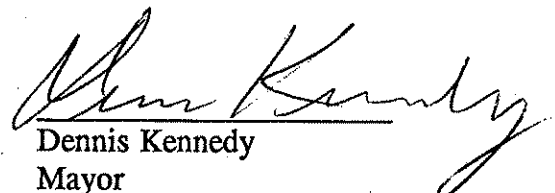
ABSTAIN: None

ABSENT: Varela

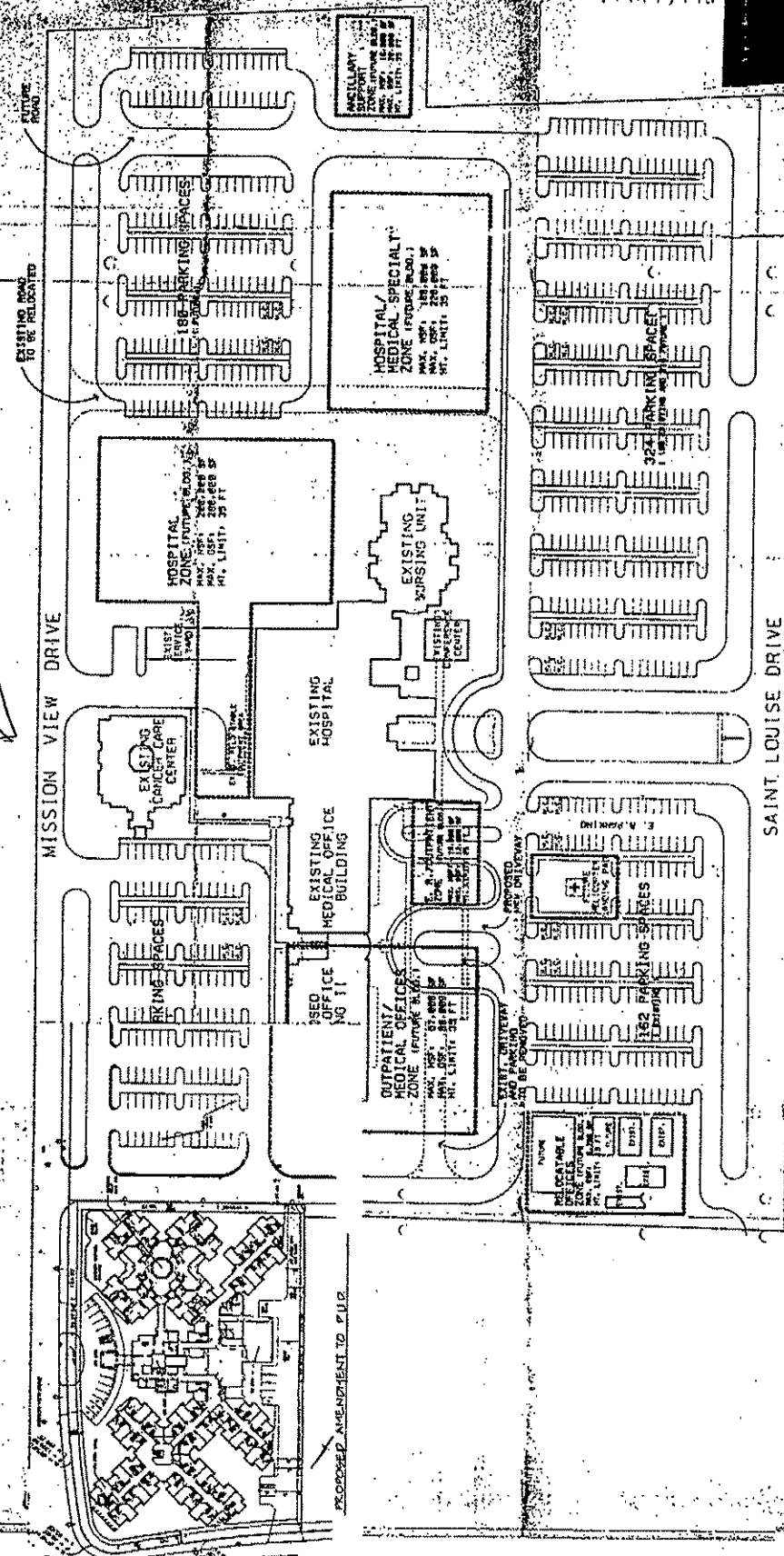
ATTEST:


Nancy E. Donovan
Deputy City Clerk

APPROVED:


Dennis Kennedy
Mayor

Cancer Care Center

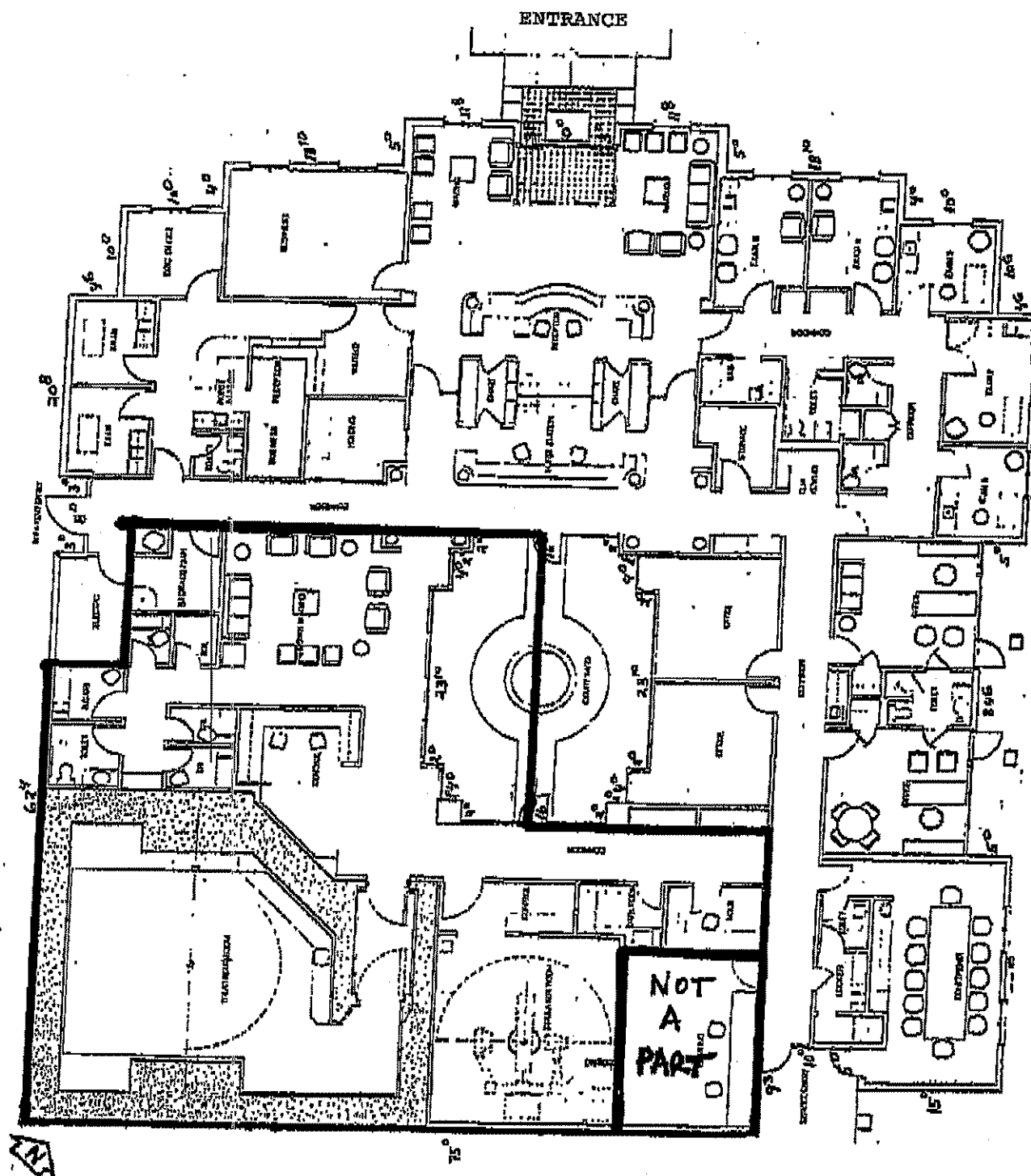


DATA TABLE:
 ASSESSORS PARCEL NO. 727-12-9 AND 45
 SITE AREA: 24.337 ACRES
 STRUCTURE AREA: 787,286 SQ. FT.
 ZONING: PF2 CONDITIONAL USE PERMIT
 GENERAL PLAN DESIGNATION: ZONE 1P22
 PARKING: SEE ALLOCATION TABLE BELOW

BUILDING	EXISTING	PROPOSED	TOTAL
HOSPITAL	168	268	436
MEDICAL OFFICE BUILDING	92	208	300
CANCER CARE CENTER	0	0	0
HOSPITAL/MEDICAL SPECIALTY	0	0	0
RELOCATABLE OFFICES	13	25	38
HANDICAPPED	12	24	36
UNASSIGNED	216	0	216
MEDICAL SPECIALTY	0	0	0
TOTAL	411	496	907



391 GP-PF

BUILDING FLOOR PLAN**EXHIBIT "A"**

Mixed Use. Applied in accordance with the Downtown Design Plan, this designation covers 68 acres of smaller parcels in the downtown area. It is intended to encourage a mixture of retail uses and residences.

Industrial. The Industrial designation accounts for 1,112 acres within the Urban Growth Boundary, including 350 acres of newly designated land, much of which was previously designated for residential uses. A variety of existing and potential research, warehouse, manufacturing, service commercial and other uses are accommodated under this designation.

Office Industrial. Two areas of Office Industrial designation cover 26 acres along U.S. 101 near the Dunne Avenue interchange. These areas are intended to promote administrative and executive office uses, including experimental and engineering laboratories devoted exclusively to basic research and development (provided they meet certain standards for handling of any hazardous materials).

Campus Industrial. The Campus Industrial designation applies to 18 acres northwest of the Tennant Avenue interchange, where clean industry such as high-technology and medical services are encouraged to locate in park-like settings that contain large areas of landscaping.

Public Facilities. The 253 acres designated for Public Facilities is comprised of land used by the City, service providers (including emergency medical, hospitals and utility companies) and the Morgan Hill Unified School District. The General Plan does not anticipate any changes to this designation.

Land Use Decisions

Encouraging future growth to occur in and around existing developed areas of the city will increase the likelihood that a high level of services and amenities will be available for residents and visitors.

Goal 1. An effective and efficient planning and decision-making process

Policies

- 1a. Ensure that City decisions regarding planning are reached in a comprehensive, coordinated manner.

Actions

- 1.1 Amend City ordinances, programs and plans (e.g., zoning, parking, capital improvements) to conform to amendments or revisions to the policies of the Community Development Element.
- 1.2 Develop a comprehensive municipal service and capital improvement program for 5- and 20-year time periods. Detailed service and utility planning shall be done for a 5-year time span.
- 1.3 Review the General Plan annually to determine what progress is being made toward achieving the Plan's goals and policies.
- 1.4 Schedule General Plan updates to coincide with U.S. Census data updates.